



**Dignity Health**

Chandler Regional Medical Center  
Mercy Gilbert Medical Center  
St. Joseph's Hospital and Medical Center

**ORIGINAL**



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Arizona Corporation Commission  
**DOCKETED**

AUG - 8 2013

August 2, 2013

The Honorable Bob Stump  
Office of the Chairman  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

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RE: Docket No. E-00000W-13-0135: In the Matter of the Commission's Inquiry into Retail Electric Competition

Dear Chairman Stump:

On behalf of Dignity Health, I would like to take this opportunity to express our concerns regarding the proposed docket on electric restructuring.

While the cost of electricity is an important component of achieving our budget goals each year, reliability of service will always be our first priority. Acute care hospitals rely heavily on technology and communications, so a consistent and predictable flow of power is of the utmost importance. When lives are at stake, reliable electricity is an essential component to provide the high quality patient care we deliver on a daily basis.

Hospitals within the Dignity Health Arizona market, like hospitals throughout the state, have been experiencing unprecedented levels of uncompensated care. In Fiscal Year 2010, our costs of Charity Care and Bad Debt were \$38.8 million; by FY 2012 it had grown to \$65.1 and in FY 2013 it reached more than \$82 million.

The recent legislation to address Medicaid eligibility will significantly contribute to restoring fiscal stability within the Dignity Health system. However, the long-term financial effects of these health policy decisions are unknown, and Dignity Health has significant concerns regarding price fluctuations in power costs as well as the overall predictability of the electrical utility grid.

While Dignity Health appreciates the good intentions of the Arizona Corporation Commission's re-consideration of retail electric competition, we are uncomfortable with such a move at this time. We do not believe electric restructuring is presently in our best financial and operational interests, nor does it further the best interests of the state.

Thank you in advance for your consideration.

Sincerely,

Linda Hunt  
Senior VP of Operations and President/CEO, Arizona  
Dignity Health

Cc:  
Commissioner Bob Burns  
Commissioner Brenda Burns  
Commissioner Susan Bitter-Smith  
Commissioner Gary Pierce

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